

Scandinavian Academy
Training Center

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# Course: Financial Skills for HR Professionals

| Code | City | hotel | Start | End | price | Language - Hours |
|---|---|---|---|---|---|---|
| HT-232SA | Alula | Hotel Meeting | 2027-06-13 | 2027-06-24 | 19950 SR | En - 50 |

## The Course

The planning and budgeting process in most organisations starts with the human resources (HR) department. At the same time as the sales and marketing professionals are assessing product and service mix and making short and long-term forecasts of sales demand and prices, the HR department is assessing its current level of resources and the likely level of resources required both in the short and longer term. The HR function plays an integral role in the budgeting of costs for the whole organisation. It is also responsible for the preparation and management of its own departmental budget, and is accountable for the achievement of that budget. Financial awareness is therefore an essential requirement for every role at every level within the HR departments of modern business organisations.

Companies are increasingly integrating all their business processes using systems like ERP (enterprise resource planning). Each business function should therefore understand, and be able to communicate, accounting and financial (and non-financial) information. This seminar provides the required level of financial awareness and practical application for HR practitioners to appreciate accounting and finance in the broader context, and the HR function’s involvement in the organisation’s budgeting and budgetary control processes, and participate in the decision-making process. It also includes the techniques required to prepare a detailed budget for the HR department itself, and the management of the HR department’s actual budget performance.

## The Goals

- Company objectives and financial statements
- Reading and interpreting financial statements

- Discounted cash flow (DCF)
- Costing
- Decision-making
- Budgeting
- Cost/volume/profit (CVP) analysis
- HR and the budget process
- The HR budget
- Measuring HR performance
- Budgetary control
- Capital investment appraisal
- Capital budgeting

## The Process

This seminar will be presented in a participative style, and the team-based exercises and case studies will encourage discussion of the issues raised. It will also provide the opportunity to discuss and compare the HR practices of other companies with that of your own company. Many of the practical examples, for example discounted cash flow (DCF), break-even analysis, financial analysis, and budgetary control are also illustrated using Excel© spreadsheet models. This seminar provides the theoretical background to the key areas of accounting and financial management, which are put into a real world context by providing many worked examples and case studies relating to each of the topics covered, which will help you learn how to:

- Appreciate the significant importance of cash flow (rather than profit) and discounted cash flow (DCF) in creating value for optimal decision-making to maximise shareholder wealth.
- Analyse the income statement (or profit and loss account), balance sheet, and cash flow statement, and use ratios to interpret the financial statements and be aware of their limitations.
- Appreciate the key role played by the HR department in the organisation’s budget process and preparation of the master budget, and the use of techniques like activity based budgeting (ABB).

- Use the techniques of break-even analysis, budgetary control, capital investment appraisal, capital budgeting, and variance analysis for budgetary control.
- Identify each of the costs required to manage a modern HR department to be able to prepare its annual budget and manage its actual performance.

## The Benefits

**Following completion of this programme, you will know how to:**

- Use your financial knowledge for improved planning and management decision-making
- Communicate with finance professionals, within and external to your organisation, to be able to become a more effective manager of the business
- Liaise more effectively with other departments on financial matters
- Share your financial knowledge within your own department and with other departments within your organisation
- Identify and quantify each of the areas in your organisation’s budget for which the HR function has indirect responsibility
- Identify and quantify each of the areas for which your HR function has direct responsibility to be able to prepare a comprehensive HR department budget
- Measure HR performance

## The Results

**This seminar will provide you with the skills to enable you to:**

- Read and interpret the financial statements of a business: cash flow statement; income statement (profit and loss account); balance sheet
- Evaluate business performance using appropriate techniques of financial analysis
- Identify the differences between fixed and variable costs and recognise the impact of changes in cost structure on the performance of the business
- Use both the traditional techniques of budgeting and activity based budgeting

(ABB)
- Determine the break-even point of a business using cost/volume/profit (CVP) analysis
- Recognise the importance of cash flow (as distinct from profit) as a measure of business performance
- Use the technique of discounted cash flow (DCF)
- Evaluate new capital investment using DCF and other methods
- Provide the relevant information and budgeted costs for each of the human resource-related areas within your organisation's budget, for which the HR function has indirect responsibility
- Prepare a comprehensive HR department budget, which includes each of the areas for which the HR function has direct responsibility
- Compare actual versus planned performance using budgetary control and the use of flexed budgets

## The Core Competencies

**You will be able to put your learning into practice through:**

- Being able to interpret the financial reporting of a business: cash flow statement; income statement (profit and loss account); balance sheet
- Using appropriate financial analysis techniques to evaluate business performance
- Appreciating the important differences between fixed and variable costs
- Recognising the ways in which changes in cost structure impact on the performance of the business
- Applying both the traditional techniques of budgeting and activity based budgeting (ABB)
- Being able to calculate the break-even point of a business
- Appreciating the importance of cash flow and discounted cash flow (DCF)
- Considering new capital investment in terms of creation of shareholder value
- Taking a proactive role in the development of your organisation's budget for the areas in which the HR function has indirect responsibility

- Being able to construct a detailed HR departmental budget, and being accountable for its achievement
- Using the budgetary control techniques of flexed budgets and variance analysis to compare actual versus planned performance

# The Programme Content

### Company objectives and financial statements

- Measuring company performance
- Value creation and the primary objective of maximisation of wealth
- Income statement (profit and loss account)
- Balance sheet
- Cash flow statement

### Reading and interpreting financial statements

- Measurement of operating performance
- Measures of financial performance and financial position
- Risk measurement
- Limitations of ratio analysis

### Discounted cash flow (DCF)

- The importance of the timing of cash flows
- Future values
- Present values
- Discounted cash flow (DCF)

### Costing

- Fixed costs, variable costs, and overheads
- Overhead allocation, absorption, and the use of activity based costing (ABC)

- Expenses versus inventory (stock valuation)
- Contribution compared with profit

## Decision-making

- Relevant costs
- Shut-down versus continuation
- Make versus buy
- Product mix and limited resources
- Decision trees

## Budgeting

- Purposes of budgeting
- The budget process
- Activity based budgeting (ABB)
- Uncertainty and risk
- Motivation and the behavioural aspects of budgeting
- Problems in budgeting
- Non-financial performance measures

## Cost/volume/profit (CVP) analysis

- Cost, volume, profit relationships
- Break-even analysis
- The impact of cost structure changes
- Limitations of break-even analysis

## HR and the budget process

- Organisation charts
- Manpower planning
- The direct labour and indirect labour budget
- Employee benefits

- Employee records
- Payroll administration
- Redundancy costs
- Health and safety
- Employee appraisal
- Succession planning

## The HR budget

- HR staff costs
- HR overhead costs
- HR overhead cost allocations
- Employment or outsourcing
- Training and employee development
- Preparation of the HR budget
- Your organisation’s HR budget

## Measuring HR performance

- Why we measure HR
- How to measure hiring and staffing
- How to measure training and development
- How to measure employee relations and staff retention

## Budgetary control

- Organisational and accounting control systems
- Standard costing
- Flexed budgets
- Variance analysis
- Types of variances and the reasons they occur
- Planning and operational variances
- Controllable and uncontrollable costs

- Responsibility for HR budget variances

## Capital investment appraisal

- Methods for evaluating capital projects
- Payback
- Net present value
- Internal rate of return
- Discounted payback

## Capital budgeting

- Capital rationing
- Ranking of investment projects
- Inflation and investment
- Using expected values and standard deviations to make decisio

**The Scandinavian Academy for Training Center** adopts the latest scientific and professional methodologies in training and human resource development, aiming to enhance the efficiency of individuals and organizations. Training programs are delivered through a comprehensive approach that includes:

- Theoretical lectures supported by PowerPoint presentations and visual materials (videos and short films).
- Scientific evaluation of participants before and after the program to measure progress and knowledge acquisition.
- Brainstorming sessions and practical role-playing to simulate real-life scenarios.
- Case studies tailored to align with the training content and participants work nature.
- Assessment tests conducted at the end of the program to evaluate the achievement of training objectives.

Each participant receives the training material (both theoretical and practical) in printed form and saved on a CD or flash drive. Detailed reports, including attendance records, final results, and overall program evaluations, are also provided.

Training materials are prepared professionally by a team of experts and specialists in various fields. At the end of the program, participants are awarded a professional attendance certificate, signed and accredited by the Scandinavian Academy for Training Center.

**Program Timings:  9:00 AM to 2:00 PM**

**The program includes:**

- A daily buffet provided during the sessions to ensure participants comfort.
- A closing ceremony on the final day to distribute certificates and celebrate participants achievements.
- **Note: All prices are exclusive of 15% Value Added Tax (VAT).**

# Our Success Partners

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